



Oxford Cambridge and RSA

Unit title:	Managing financial resources in health and social care
Unit number:	16
Level:	4
Credit value:	15
Guided learning hours:	60
Unit reference number:	R/601/1615

### **UNIT AIM AND PURPOSE**

This unit will enable learners to evaluate current systems for managing financial resources in health and social care settings. Learners will evaluate how financial decisions are made and the need to monitor budgets. This will then enable them to evaluate the impact of financial considerations on an individual using health and social care services.

This unit will provide a core understanding of the range of systems available, and how these are used in the planning and financial management of health and social care budgets. The unit further encourages learners to understand the importance of monitoring budget expenditure and its influence on the provision of health and social care services.

## **LEARNING OUTCOMES AND ASSESSMENT CRITERIA**

A pass grade is achieved by meeting **all** the requirements in the assessment criteria.

<b>Learning Outcome (LO)</b>  The Learner will:	<b>Pass</b>  The Learner can:
LO1 Understand how systems are used to manage financial resources in health and social care	1.1 explain the principles of costing and business control systems  1.2 identify information needed to manage financial resources  1.3 explain the regulatory requirements for managing financial resources  1.4 evaluate systems for managing financial resources in a health or care organisation
LO2 Understand the role of planning in the management of health and social care budgets	2.1 discuss the diverse sources of income that may be encountered in health and social care  2.2 analyse the factors that may influence the availability of financial resources in health and social care organisations  2.3 review different types of budget expenditure in health and social care organisations  2.4 evaluate how decisions about expenditure are made within a health or social care organisation
LO3 Understand the importance of monitoring budget expenditure in health and social care organisations	3.1 explain how financial shortfalls can be managed  3.2 explain the actions to be taken in the event of suspected fraud  3.3 evaluate budget-monitoring arrangements in a health or social care organisation

<p>LO4 Understand how systems and processes for managing financial resources influence health and social care services</p>	<p>4.1 identify information required to make financial decisions relating to a health and social care service</p> <p>4.2 analyse the relationship between a health and social care service delivered, costs and expenditure</p> <p>4.3 evaluate how financial considerations impact upon an individual using the health and social care service</p> <p>4.4 suggest ways to improve the health and social care service through changes to financial systems and processes</p>
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### **GRADING CRITERIA**

A merit grade is achieved by meeting **all** the requirements in the pass criteria **and** the merit descriptors

A distinction grade is achieved by meeting **all** the requirements in the pass criteria **and** the merit descriptors **and** the distinction descriptors.

<p><b>Merit Criteria (M1, M2, M3)</b></p> <p>(M1, M2, and M3 are mandatory to achieve a merit grade. Each must be achieved at least once per unit to achieve a merit grade.)</p>	<p><b>Distinction Criteria (D1, D2, D3)</b></p> <p>(D1, D2, and D3 are mandatory to achieve a distinction grade. Each must be achieved at least once per unit to achieve a distinction grade.)</p> <p>(In order to achieve a distinction grade, all merit criteria must also have been achieved.)</p>
<p><b>MANDATORY TO ACHIEVE A MERIT GRADE</b></p>	<p><b>MANDATORY TO ACHIEVE A DISTINCTION GRADE</b></p>
<p>M1 Analyse concepts, theories or principles to formulate own responses to situations</p>	<p>D1 Evaluate approaches to develop strategies in response to actual or anticipated situations.</p>
<p>M2 Analyse own knowledge, understanding and skills to define areas for development.</p>	<p>D2 Evaluate and apply strategies to develop own knowledge, understanding and skills.</p>
<p>M3 Exercise autonomy and judgement when implementing established courses of action.</p>	<p>D3 Determine, direct and communicate new courses of action.</p>

## **TEACHING CONTENT**

The Teaching Content describes what has to be taught to ensure that learners are able to access the highest grade.

Learners must be able to apply relevant examples to their work. Where examples are given in the Teaching Content, these are suggestions; they do not have to be the examples that the learner uses.

<b>LO1 Understand how systems are used to manage financial resources in health and social care</b>	
Principles of costing	(e.g. analysis of current situation against budget and forecast, classification and coding, job costing, contract costing, actual cost ascertainment, allocation/apportionment)
Principles of business control systems	(e.g. procurement, integrity and diligence, management and control, market conduit, customers' interests, clients' assets, relationship with regulators)
Information needed	(e.g. transparent and accurate accounting information, risk management, short and long term forecasts, audit reports)
Regulatory requirements	(e.g. Care Quality Commission, Healthcare Sector regulator Monitor, NHS Commissioning Board, ICAEW, GAAP)
Software Systems	(e.g. open accounts, Cool Care, CareSys, IFRS).
<b>LO2 Understand the role of planning in the management of health and social care budgets</b>	
Sources of income	(e.g. stakeholders, voluntary organisations, commissioners paying for services, national and local government, private health insurance, private enterprise)
Factors	(e.g. central government allocation, political sensitivity, ability to negotiate regional allocation of budget, local demands, social deprivation index, national pay awards, utilisation rates)
Budget expenditure	(e.g. staffing, fixed assets, consumables, loan interest, long-term building and developments, marketing, staff training, health and safety)
Decision making process	(e.g. funds available, location, demands on service, central government guidance, legal framework).

**LO3 Understand the importance of monitoring budget expenditure in health and social care organisations**

Management of financial shortfalls	(e.g. working within guidance, additional allocations from local government by an increase in take up, loans from approved institutions, service reductions, PFI, charity donations)
Actions	(e.g. secure evidence, investigation by internal and external audit, suspension of perpetrators, police involvement, forensic accounting)
Monitoring	(e.g. internal audit, external audit, key performance indicators).

**LO4 Understand how systems and processes for managing financial resources influence health and social care services**

Information	(e.g. management accounts, current and projected demand for service, actual budget, short- and long-term financial forecasts, regulators (CQC), government initiatives, pay awards, political dictate)
Relationship	(e.g. transparency with stakeholders, partners and alliances, compliance, bidding process, project management, accountability)
Impact	(e.g. change in mode of service delivery, change in staffing levels, availability of consumables, withdrawal/reduction of service)
Improvements	(e.g. reassessment of expenditure, assessing value for money, Costs and unit estimations per head, management consultants, performance models, prioritising, matching available resources to the social/financial environment).

## **GUIDANCE**

### **Delivery guidance**

It will be beneficial to deliver this unit in a way that uses actual events, industry forecasts or sector specific contexts which offer the learner the opportunity to explore, develop and apply the fundamental principles of the sector or subject area. Typical delivery contexts could include researching the financial framework and software used within a health and social care setting. A discussion with the setting's manager is highly desirable.

Learners will benefit from being encouraged to exercise autonomy and judgement to develop their financial acumen and an understanding of how financial data is used in making key decisions for service delivery. Learners will have the opportunity to adapt their thinking and reach considered conclusions when implementing change management.

Learners would benefit from being presented with subject/sector-relevant problems from a variety of perspectives, and being given the opportunity to explore them using diverse approaches and schools of thought. For example, comparisons between different financial resources management scenarios could be undertaken from the perspective of the public, private and/or voluntary sectors. The usefulness of a variety of processes should be investigated in order to suggest improvements and changes to service provision.

### **Assessment evidence guidance**

Evidence produced must demonstrate how a learner has met each of the Learning Outcomes, and be submitted in the form of a report on a Health and Social Care setting.

Where group work/activities contribute to assessment evidence, the individual contribution from each learner must be clearly identified.

All evidence must be available for the visiting moderator to review. Where learners are able to use real situations or observations from work placement, care should be taken to ensure that the record of observation accurately reflects the learner's performance. This should be signed, dated, and included in the evidence. It is best practice to record another individual's perspective of how a practical activity was carried out. Centres may wish to use a witness statement as a record of observation. This should be signed and dated and included in the evidence.

## **RESOURCES**

### **Books**

Martin M, Charlesworth J, Henderson E. *Managing in Health and Social Care* 2<sup>nd</sup> Edition. Routledge. 2010, ISBN: 978-0-20385-693-2

Bryans W, *Practical Budget Management in Health & Social Care*, Radcliffe Publishing Ltd. 2007. ISBN: 978-1-84619-100-8

### **Journals**

*ICAEW Healthcare Journal*

*British Medical Journal*

*Health Services Journal*

*Public Service Review: Health & Social Care*

### **Websites**

[intsoftware.com](http://intsoftware.com)

[www.advancedcomputersoftware.com/abs/accounting-financial/open-accounts.php](http://www.advancedcomputersoftware.com/abs/accounting-financial/open-accounts.php)

[www.hsj.co.uk](http://www.hsj.co.uk)

[www.publicservice.co.uk](http://www.publicservice.co.uk)

[www.icaew.com](http://www.icaew.com)

### **Signposting to other units within the qualification**

Unit 5: Managing quality in health and social care

Unit 15: Managing human resources in health and social care